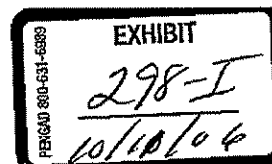


Exhibit 37

**Message0063****Subject:** RE: Research of Exceptions found by Arthur Andersen re: Neilson**From:** Andrew N. Yao**Date:** 12/17/1999 8:17:34 AM**To:** Perry Turnbull; Gary Hawthorne**Message Body**

As a rule, we should keep school reporting separated from investor reporting. This should apply to all situations going forward and should be built into our IT.

This is the first that I know that investor information was provided to NEI in the litigation. Once again, we are our own worst enemy.

Why was this done?

Please provide me with you recommendations as to next steps. We need to be able to resolve this issue with a reasonable explanation that will not be contrary to our financial audit and static pool.

-----Original Message-----

From: Perry Turnbull

Sent: Thursday, December 16, 1999 5:41 PM

To: Andrew N. Yao; Gary Hawthorne

Subject: RE: Research of Exceptions found by Arthur Andersen re: Neilson

I believe that the reports that were run in the past contained TC60 references. In addition, even our funding reports to NEI showed evidence of payments made to accounts that were actually TC60 postings. When the litigation began Tian ran itemized reports that contained the TC60 postings in the transactional history of each account. Between our earlier funding reports and Tian's report the questions regarding these payments became more focused. At the root of the concern was NEI's claim or concern that they were not getting credit for payments they thought were made by students when in fact a TC60 posting had occurred.

In short I believe the reserve payments (TC60's) have been in most of the data NEI, Pepper Hamilton, and Arthur Anderson have seen.

-----Original Message-----

From: Andrew N. Yao

Sent: Thursday, December 16, 1999 3:56 PM

To: Gary Hawthorne

Cc: Perry Turnbull

Subject: RE: Research of Exceptions found by Arthur Andersen re: Neilson

Why do we have reserve payments in the NEI database?

-----Original Message-----

From: Pat Kartha

Sent: Thursday, December 16, 1999 11:48 AM

To: Perry Turnbull; Andrew N. Yao

Cc: Gary Hawthorne

Subject: Research of Exceptions found by Arthur Andersen re: Neilson

Arthur Andersen compared one day of transactions from our database and the daily settlement reports for each month of 1996 and 1997 and have asked me to research differences.

My immediate problem is that I cannot explain why the reserve payments on the data base in May 1996 do not match the reports (see May 1996 below). I currently have no way to explain what happened to AA. Any help would be appreciated.

Thank you.

AA sent me the first six months of 1996 to review. Of these six months, four had differences.

February 1996 Two days were posted together

Two payments on the data base are not on the daily settlement report. There is no record of how the cash received for these two payments was deposited to the bank.

March 1996 One payment on the data base is not on the daily settlement report. There is no record of how the cash received for this payment was deposited to the bank.

May 1996 Three payments on the data base are not on the daily settlement report. There is no record of how the cash received for these three payments was deposited to the bank.

There are \$8,800.58 in TC60's (reserve payments) in the data base that are not on any daily settlement report. I have no idea when these payments were applied to the accounts. As a guess, maybe they were applied later and pre-dated to make the portfolio look more attractive prior to the first securitization? AA has asked for "proof" that all TC60s were payments from the reserve, not cash from students. I can show this with general ledger entries for most of the cases, however without a record of when these payments were put into the system, I am not sure that I can give AA any "proof" for these payments.

June 1996 Two payments on the data base are not on the daily settlement report. There is no record of how the cash received for these payments was deposited to the bank.

Outlook Header Information

Conversation Topic: Research of Exceptions found by Arthur Andersen re: Neilson
 Subject: RE: Research of Exceptions found by Arthur Andersen re: Neilson
 From: Andrew N. Yao
 Sender Name: Andrew N. Yao
 To: Perry Turnbull; Gary Hawthorne
 Received By: Gary Hawthorne
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